

FIXED-PRICE FULLY-INCLUSIVE LEGAL ACTION SERVICE

SOUTH AUSTRALIA

Prushka recommend that legal action to be undertaken only as a last resort. Our philosophy is to recover monies through a method combining open communication with the debtor and negotiation, backed by the threat of legal action if payment is not made.

We will only recommend legal action where we believe that it will have a good chance of resulting in a successful recovery.

- ✓ Operates nationwide
- ✓ A leader in Enforcement
- ✓ Expert in debt collection

- ✓ Fixed-price fully - inclusive legal action
- ✓ Guaranteed default Judgment or full refund will be given.

What Is The Mendelsons Fixed-Price Fully- Inclusive Legal Action Service?

- Every legal action is firstly vetted by a qualified Lawyer who undertakes overall responsibility for the matter.
- You are **guaranteed** to go right through to Judgment stage for the **one all inclusive cost**, for undefended claims.
- Prushka will bear all additional expenses, which may arise.
- **Full refund** of your money will be given if we are unable to obtain a default judgment for you (except where a Defence is lodged).

Which Court?

- Magistrates Court for claims up to \$40,000.00.
- District Court for Claims over \$40,000.00

How Long Will I Have to Wait To Receive Payment From The Debtor?

- Unfortunately, no guarantees can be given as to when payment will be received. It is our philosophy to try to use legal action as a lever to get settlement from the debtor.
- Mendelsons Lawyers will maintain contact with the debtor to convince him to make payment prior to Judgment being taken out.
- Many debtors will pay up after receiving the Magistrates' Court Claim to avoid Judgment being taken out.

What Is A Judgment?

- A Judgment is a formal Order from the Court which forms part of the public record.
- If a Judgment is taken out against a debtor, details are published in various gazettes and the information will be recorded on the debtor's Veda Advantage Credit file. This will make it difficult for the debtor to obtain credit at a later stage.
- It takes between 6 to 8 weeks from the time we commence to obtain a Judgment and it is enforceable for 6 years, but may be extended on application to the Court. Prior to commencement, it is a requirement to provide the debtor a '21 day' written notice.
- Interest runs on the Judgment from the date of the invoice at a prescribed rate.

Will I Need To Go To Court?

- Over 95% of legal actions initiated by Mendelsons Lawyers result in either a default Judgment or a settlement. There is **no Hearing** and no need for evidence to be given in these cases.

Adding Prushka Commission to The Claim

- If you tick the relevant box on the attached “**Authority to Proceed**” form, we will add commission in the event of your debtor failing to pay the account.
- In the event of the **claim being defended and proceeding to hearing, Mendelsons Lawyers will require documentary proof that there is a legal basis for adding commission.** If there is insufficient proof of this it will then be necessary to drop this part of the claim.

What Is The Cost?

VALUE OF DEBT	UP TO \$3,000	\$3,000.01 - \$6,000	\$6,000.01 - \$10,000	\$10,000.01 - \$40,000	\$40,000 +
TOTAL INCLUSIVE COST*	\$748.48*	\$858.48*	\$1,074.48*	\$1,514.48*	\$1,756.30*

All prices quoted are inclusive of GST, all legal costs, correspondence between both parties, up to four (4) attempts of service, together with Stamp Duty, all filling fees and all disbursements.

Mendelsons Lawyers will account in full to you for all legal costs forming part of the Judgment which are recovered from the Debtor.

In the event that the claim amount exceeds \$40,000.00, matters will be issued in the District Court of South Australia.

Out of State Service

If the Debtor is located outside South Australia, an additional \$100.00 will be added to the cost of the Fixed Price. The above costs include GST.

What Happens If The Debtor Does Not Pay On The Judgment?

- The Judgment itself contains no enforceability component. Therefore, if the debtor does not pay, it is then necessary to take separate enforcement procedures. Mendelsons Lawyers will discuss with you the enforcement options.
- We offer the following enforcement procedures:
 - Examination or Investigation Summons
 - Warrant of Sale
 - Bankruptcy proceedings (for individuals)
 - Company Wind-Up
 - Caveat lodged on title of real estate
- We offer a fixed-price fully inclusive rate for each enforcement procedure. If you would like further information please contact the Mendelsons Pre-Legal Team to request our **Fixed-Price Fully-Inclusive Legal Enforcement** brochure, for SA.

What Happens If The Debtor Defends The Action?

- Legal proceedings for recovery of debts are carried out under a procedure which allows Judgment to be obtained “by default”. There is no Court Hearing, no requirement to give evidence and no additional cost.
- If the debtor defends the action then unless a settlement can be negotiated, a Court Hearing will be held. Our **Fixed-Price Fully Inclusive Legal Action Service does not extend to defended matters**. Our Lawyers will contact you if a Defence is received, to discuss the claim.
- Unless Mendelsons Lawyers are able to negotiate a settlement acceptable to you shortly after receiving the Defence, **Prushka will release you from the obligation to pay commission** at that point. That is, if you run a defended action through Mendelsons Lawyers, **Prushka will not charge commission**.
- If a Defence is lodged, it does not mean that it is a valid defence to the claim. However, it will mean that a default Judgment cannot be entered and it will involve you in some legal costs. In most cases where a defence is received, a settlement is achieved prior to the Court hearing.
- Less than 5% of legal actions initiated by us result in a Defence being lodged.

How Much Money Will I Get Back?

- The Judgment will include legal costs. From the amount recovered, you will receive a credit in full for the costs awarded by the Court.
- Any business with an ABN will be able to claim a GST credit for the amount detailed on the “**Authority to Proceed**” form. Prushka is entitled to retain any interest recovered but only after you have been paid the awarded costs and original debt amount in full.

How Do I Proceed?

Simply complete the “**Authority to Proceed**” form and send it in to Prushka together with payment for the amount of the **TOTAL INCLUSIVE COST***, depending on the size of the debt.

Post: Prushka Fast Debt Recovery
Private Bag 6, Mitcham Vic 3132
Fax: (03) 9872 7273

Call the Pre-Legal Team for further details on (03) 9872 7209 or send an email to prelegal@mendelsons.com.au

Log on to our website to find out more about us.
www.mendelsons.com.au